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Massachusetts Department of Energy Resources
c/o Robert Sydney, General Counsel
Division of Energy Resources
100 Cambridge Street, Suite 1020
Boston, Massachusetts 02114

Subject: Comments on proposed changes to regulations governing the
Massachusetts Renewable Portfolio Standard

Dear Mr. Sydney:

Thank you for the opportunity to provide comments on the proposed changes to the regulations governing the Massachusetts Renewable Portfolio Standard (RPS). We greatly appreciate that you are undertaking a stakeholder process to seek input, and look forward to working with you to assist in any way we can in developing and implementing Massachusetts' energy policy.

Background

Tamarack Energy serves as a developer, advisor, and investor in cost-effective, sustainable and reliable energy solutions. Our team includes experienced project developers, energy economists, financial analysts, and program managers who have participated in the development of over 2,000 MW of power projects, including more than 500 MW of renewable energy. Our projects use a wide range of clean energy technologies, including solar, wind, biomass, combined heat and power (CHP), geothermal and hydropower. We work with clients on all aspects of projects, from site assessment and selection, to technical configuration, to financial structuring, through project development. We have projects under development in several northeastern states, including Massachusetts, Connecticut, New Hampshire, New York, New Jersey, and Pennsylvania.

Concerning the proposed changes to the RPS regulations, we have several areas which we would like to discuss. These areas are presented below.

Wood from Construction and Demolition

Tamarack Energy would like to express our support for DOER's inclusion of "construction and demolition wood" as an "eligible biomass fuel." Massachusetts generates millions of tons of C&D wood on an annual basis. If

C&D wood is not allowed to be used in generating energy, there are limited options to properly dispose of this waste. Primarily, this wood is landfilled, filling limited space and contributing to a growing environmental problem. While, we encourage the reuse and recycling of any suitable C&D wood, we believe that C&D wood can be used as a biomass fuel in an environmentally responsible manner and can be used to meet our energy generation needs.

We appreciate the concerns expressed at the June 28th public hearing in Boston about the potential for hazardous air pollution from the combustion of contaminated C&D wood. We believe that thorough, ongoing investigations of this risk by other New England states, such as New Hampshire, and Northeast States for Coordinated Air Use Management (NESCAUM) indicate that sorted C&D combustion with proper emissions controls does not pose a threat to air quality.

We agree with Massachusetts DOER that C&D wood is a renewable biomass fuel. We recommend that the state address environmental concerns by defining C&D wood as “wood from construction and demolition sources that has been sorted to remove known contaminants, including heavy metals known to threaten public health.” In addition to requiring sorting, we believe that biomass plants burning C&D should also have to meet emissions standards that reflect the best available technology, as defined by state enforcement of the federal Clean Air Act. Sorted C&D combusted in a plant with proper air emissions controls will produce clean, renewable power consistent with the RPS legislation.

Emissions Standards

At the public hearing on June 28th, an individual asked DOER to enforce Massachusetts clean air standards on biomass facilities in other states. Tamarack Energy believes that such a proposal would engage multiple jurisdictions in the air permitting of a biomass facility. We recommend that air permitting remain under the jurisdiction of the community in which the facility will be located.

As DOER is aware, the Clean Air Act requires major new or modified sources of air emissions to use the Best Available Control Technology (BACT). The Clean Air Act also requires major new or modified sources in non-attainment areas to attain the Lowest Achievable Emission Rate (LAER).

However, BACT and LAER are determined on a case-by-case basis, usually by State or local permitting agencies. It is unclear how a new source in Vermont, for example, would meet Massachusetts’s standards if such determinations are conducted on a case specific basis. Tamarack Energy requests that DOER reject the request as unworkable.

Distributed Generation

Tamarack Energy supports the inclusion of renewable energy generated at distributed generation facilities within ISO New England territory. We would like to see this expanded to include behind the meter generation with third party verification, instead of only the generation that is transmitted to the grid. In our experience, clients most open to the construction of distributed generation are firms with a significant current electric load. Investment in such sites is a cost effective means to increase the use of renewable energy and reduce the need for both new utility scale generation and new transmission infrastructure.

With third party verification now available, we do not see how distributed generation used on site is any less advantageous to Massachusetts than distributed generation that is consumed from the grid. Opening the renewable energy credit (REC) market to these projects would provide an important additional incentive for onsite generation, would reduce demand on the transmission system, and would be unlikely to alter the REC market significantly, due to the small size of these projects.

Rebuilt Facilities

Tamarack Energy requests that DOER further define its distinction between new and existing biomass facilities. We recommend that DOER generally define new facilities as those that “employ state of the art combustion and power generation systems and emissions controls” and should clearly exclude existing facilities that add emissions control systems. We believe it would be beneficial for DOER to specify at what point a facility shifts from being a re-powered vintage generator to being an entirely new facility on the site of an old facility. For instance, does a new boiler make a facility new, or does replacing a certain percentage of the facility make it new? Under what conditions would a plant be “new” if it was on the site of an old plant?

Tamarack Energy believes that New England communities which have experience with biomass facilities will be open to new and further investment. Fully modern biomass plants should qualify as new even if they are located on the brown field site of a previous generator.

As DOER is well aware, a vague definition of “new source” in the Clean Air Act amendments of 1977 has led to tremendous confusion in the Clean Air Act’s new source review program. Tamarack Energy encourages DOER to be as specific as possible about the distinction between new and existing renewable energy generation in order to avoid such unintended consequences.

Sustainability

At the public hearing on June 28th, a comment was made suggesting that DOER redefine “eligible biomass fuel” to include only wood that is certified as sustainable. Tamarack Energy is a strong believer in sustainable forest practices, and we routinely incorporate them into our wood fuel procurement program. However, we do not believe it is wise to restrict biomass plants to using wood from certified sustainable forest lands. This would exclude many sources of biomass from non timber lands, such as right-of-way clearing for public infrastructure projects; production of sawmill residue from third party certified sustainably-harvested logs, and land clearing activities for approved and permitted development projects. Furthermore, the two most prominent sustainable certification programs for forest lands impose dramatically different standards. We believe that the biomass energy business, which relies on a very wide range of wood supplies, is not in a financial or operational position to be the first wood utilizing industry to switch to certified wood for its supply.

Tamarack Energy is pleased to provide this information to DOER. We would be happy to provide any further clarification that you feel is necessary. We look forward to serving as a resource as you determine the most appropriate energy policies for Massachusetts.

Sincerely yours,
TAMARACK ENERGY, INC.

/S/

Derek G. Amidon
President